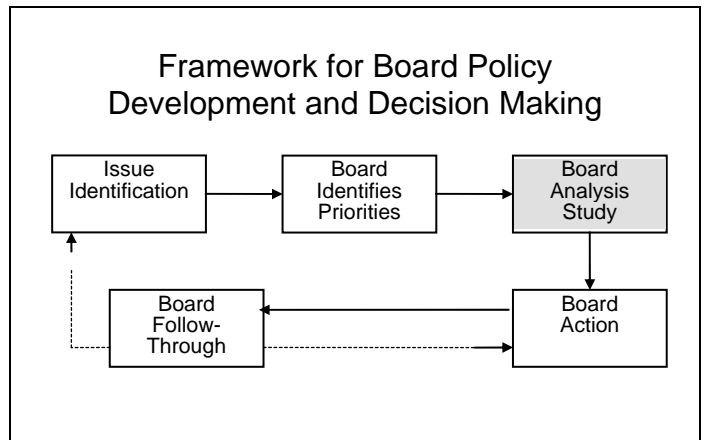


# Iowa State Board of Education

## Executive Summary

May 14, 2008



**Agenda Item:** Update on the Shared Efficiency Study Done in Each Area Education Agency

**Iowa Goal:** All K-12 students will achieve at a high level.

**Equity Impact Statement:** Shared efficiencies may lead to more equitable opportunities for students across the state.

**Presenter:** Kevin Fangman, Administrator  
Division of PK-12 Education

**Attachments:** 2

**Recommendation:** It is recommended that the State Board hear and discuss this information.

**Background:** Senate File 447, passed in 2007 by the Iowa General Assembly and signed by Governor Chester Culver, required the Iowa Department of Education to provide findings and recommendations about potential sharing and efficiency efforts among school districts, area education agencies, community colleges, other postsecondary institutions, and governmental subdivisions. A series of regional discussions facilitated through area education agencies invited participation by various educational personnel and government officials (county and municipal). Attendees examined various efficiency proposals in the following areas:

- Operational efficiencies
- Shared programming
- Transportation sharing
- Expansion of area education agency cooperatives
- Common schedules for school districts and community colleges
- Energy and insurance efficiencies
- Effective structure and delivery models that promote optimum student achievement
- Graduation requirements
- A rigorous, relevant curriculum

# **SCHOOL DISTRICT SHARING AND EFFICIENCIES STUDY**

## **Senate File 447**

### **Findings and Recommendations**

**Background:** Senate File 447, passed in 2007 by the Iowa General Assembly and signed by Governor Chester Culver, required the Iowa Department of Education to provide findings and recommendations about potential sharing and efficiency efforts among school districts, area education agencies, community colleges, other post secondary institutions, and governmental subdivisions. A series of regional discussions facilitated through the Area Education Agencies invited participation by various educational personnel and governmental officials (county and municipal). Attendees examined various efficiency proposals in the following areas:

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- Graduation requirements
- A rigorous, relevant curriculum

(A more detailed description of the uniform process used to gather input in each region may be found in Appendix 1.)

**Findings:** The findings cited below were consistent in reports from at least eight of the ten Area Education Agency regions:

- **Finding 1:** Educational and local/county governmental officials appreciated the opportunity to have structured regional conversations about what they are already doing to share services and to examine how they might do more sharing in the future. Participants noted that the “easy to share” services are already working. (See Appendix 2 for a listing of services currently being shared; several of the regional facilitators who are retired school superintendents commented that they were pleasantly surprised at the recent successes in sharing services among and between various local partners). Several regional reports mentioned that the regional meetings were “a good beginning, but more of them need to be held.”
- **Finding 2:** Tight budgets and a shortage of qualified staff for specific jobs has motivated most of the sharing among school districts, AEAs, community colleges, as well as city and county government. (It was noted in a few regions that while districts have contracted for services with their

city, county, hospital, etc., they have not generally considered the operations to be "sharing" agreements). The sharing of services was often driven by the inability of the school district to find individuals who were qualified and were willing to work for the salaries that the district could pay. For example, several regions also noted that there is a need to rethink the way mental health services are provided to students as well as adults. Common needs, like this example, will drive most of future sharing/contractual agreements.

- **Finding 3:** While striving for efficiency is important, educators stressed that they are responsible for educational efforts being effective. "What is efficient may not be effective" was a common sentiment. One region noted that "becoming 'efficient' does not always equate to a savings of money." Another regional report stated, "Doing the right thing for the students is not about saving money; it is about saving the kids." And another region mentioned, "If programs are anticipated to be more effective in terms of results, but not necessarily more efficient in terms of costs, then there needs to be a method to measure those effective results..." Further it was stated, "Not all benefits can be measured in dollars and cents. Quality of life and the future of this state must be an important part of any discussion that takes place regarding sharing or efficiency of operation."
- **Finding 4:** Additional efficiencies and sharing could be undertaken with few barriers in areas such as shared payroll, fuel depots, architects, recycling, snow removal, asbestos and fire safety, immunization with public health, shared space and facilities (e.g. rec centers), preschool, public and student transportation, grant writers, skilled workers such as electricians and bus mechanics, and insurance services (especially workers' compensation, risk insurance, vehicle insurance). Every region commented that one of the biggest potential efficiencies would be health insurance. One region noted that every educational and governmental entity that employs IPERS-eligible staff should be able to work together for more efficient health insurance options. Another noted, "Health insurance was high on the list of problems that need solving-and there is serious money at stake." (See Appendix 3 for a listing of services that have potential for being shared).
- **Finding 5:** The AEA cooperative, the Iowa Educators Consortium (IEC; <http://www.iec-ia.org/>) which was formed by all the AEAs as a tax-exempt independent entity, negotiates prices on a variety of supplies. IEC works with the Department of Administrative Services (DAS) to make state-negotiated contract goods and services available to districts and other public and not-for-profit entities. School district participants noted that many of the city and county officials in attendance at the regional meetings were unaware that the IEC contracts generally permitted purchasing by city and county government as well as not-for-profit organizations like Boy Scouts, science centers, etc. It was suggested by all that many of the potential savings could occur if the IEC or some other statewide purchasing agencies expanded into negotiating prices on buses,

repair parts, tires and fuel as well as services such as human resources and payroll.

- **Finding 6:** There is a widespread perception among school district superintendents that existing Iowa Code and/or federal regulation prohibits districts from engaging in various activities that might be more efficient. See Barrier 6 below.
- **Finding 7:** Providing high school students with expanded educational opportunities (Advanced Placement courses; college credit courses) was considered a primary reason to expand sharing agreements. Efforts such as career academies (career and technical focus) in partnership with Iowa's Community Colleges have been especially successful and need to be expanded. School districts noted that investing in expensive technical equipment, specialized facilities, and qualified teachers through cooperative ventures with the community college in the region is both efficient and effective. Interest was expressed in using distance learning technologies to provide additional courses for high school students (e.g. Mandarin Chinese).
- **Finding 8:** While the existing sharing incentives (e.g. supplementary weightings) for school districts are stimulating sharing agreements, it was the unanimous opinion that further financial incentives are needed for other potential opportunities. One region noted, "Supplemental weighting money does get people talking and serves as a very good reason to start sharing discussions." A further note added: "[Supplementary weighting] gives the administration and the board a legitimate reason to go to their constituents and recommend a particular sharing arrangement. Many of the older constituents do not understand why students need more courses or more opportunities when today's students have more courses and opportunities than the older constituents ever did. But the older constituents [do] understand the need for more money."
- **Finding 9:** The regional reports recommended that the Iowa Department of Education consider limiting the number of student information systems that districts may use. Some regions even recommended that the Department select one system for statewide use. Superintendents noted that training costs would be reduced and support for district personnel utilizing the system would be enhanced if the number of systems was limited.
- **Finding 10:** Every region noted that participants were skeptical of the motivations behind Senate File 447. Participants voiced concerns that the reason for the legislation was to create a backdoor tactic for school consolidation. One region noted that if the state continues to have the same county and school district structure, then no one should expect "order-of-magnitude" changes in efficiencies. A common sentiment across regional reports was exemplified by one region's statement, "There was some apprehension expressed that gathering this information [about existing efficiencies] would only be used by the state as a covert way to force districts to reorganize."

**Barriers:** The barriers cited below were consistent in reports from at least eight of the ten Area Education Agency regions:

- **Barrier 1:** It was pointed out by participants in each regional meeting that giving up "turf" is difficult for elected officials such as school board members, county supervisors, and mayors. Sharing arrangements and efficiencies must be viewed as a "win-win" for all parties involved if they are to be successful. "Like legislators, local boards are elected..." was the sentiment of one region. "Our board believes that as long as we play football on Friday night, everything is OK," was cited in another regional report.
- **Barrier 2:** Creating common schedules and calendars among school districts remains a challenge for local school districts. Participants noted there needs to be a reason for districts to change their calendars and bell schedules. When there is an incentive to have common calendars and/or schedules, such as in the creation of regional academies that serve several districts, common calendars have been created. One region found the best solution was to create "coordinated schedules" among districts. This allowed coordination of busing, teacher assignments and shared classes. While the districts didn't have identical calendars and schedules, they did coordinate with each other to facilitate sharing.
- **Barrier 3:** Purchasing services through cooperative agreements may save districts money in the short term but may have long-term negative implications at the local level. One region noted that while a district might be able to save 10% by purchasing goods from a large distributor (rather than buying locally), the local business that supports the school suffers from lost income. In the long run, having vital local businesses is in the best interest of the school district.
- **Barrier 4:** While school districts are eligible for supplementary weighting for specific sharing arrangements between and among districts and between districts and community colleges, there is no financial incentive for districts sharing with municipalities and counties. (Nor is there any specific sharing incentive for the municipality and county). As noted in one regional report, "If the legislature is serious about schools sharing more with governmental subdivisions, they are going to have to deal with [legal and regulatory] issues."
- **Barrier 5:** Every report emphasized that while it is appealing to have staff, especially teachers, travel from one district to another for sharing purposes, "a barrier will always be the willingness of staff to travel-the position is not attractive to many teachers/staff/etc." This sentiment was especially noted in those shortage areas where qualified staff in most demand will look for positions where travel is minimized. Most reports emphasized that additional incentives or pay would be required to attract staff who incurred travel in their work.
- **Barrier 6:** Several of the regional participants mentioned interest in energy conservation and other "green" efforts. However, they mentioned

that they are not very knowledgeable about the energy saving possibilities and how they might benefit districts (and local governmental partners).

- **Barrier 7:** There is a perception that school districts are not currently permitted to engage in certain types of sharing arrangements. For example, most regions mentioned an interest in working with their communities to construct a wind generator that was shared by other governmental entities on school property. But there was uncertainty whether Iowa Code permitted such a shared endeavor.

**Recommendations:** The following are recommendations from the Iowa Department of Education to address the findings and barriers noted above.

- **Recommendation 1:** Expand the high school course offerings provided through uses of technology and telecommunications. These would include courses offered through the Iowa Online AP Academy and Iowa Learning Online.
- **Recommendation 2:** The Iowa General Assembly should modify the existing Market Factor Pay allocations and distribute to districts based upon needs identified by the Department. One such need is the shortage of teachers in fields such as high school physics and industrial technology. Market Factor Pay funds could then be focused and used for creative solutions to teacher shortages that are common to several districts. For example, one region proposed having three or four districts in close proximity share a physics teacher. A combination of course delivery through technology and telecommunications along with regular visits by the physics teacher to each school for labs could be solution for quality education while minimizing staff travel time.
- **Recommendation 3:** The Department should actively encourage the AEAs and districts to utilize existing allowed supplementary weighting to provide shared services such as payroll. (See Appendix 3, "Summary of Potential/Future School District Sharing or Efficiency of Operations.")
- **Recommendation 4:** Provide additional supplementary weighting to school districts for concurrent high school/community college courses in career and technical fields (change weighting to .78 for career and technical courses and to .46 for liberal arts and sciences courses). Due to the expense of the specialized equipment and facilities, career and technical courses are more costly to deliver than courses in the arts and sciences.
- **Recommendation 5:** Allow equity of access for qualified Iowa high school students to earn advanced high school and college credit courses. See the Governor's proposed Senior Year Plus program for specific recommendations. Expansion of career academies and regional academies through Iowa's Community Colleges and regional academies between districts will help address this need.
- **Recommendation 6:** The Department, in partnership with other knowledgeable agencies, should provide information about allowable sharing arrangements between school districts and other governmental

bodies (due to perception noted in Barrier 6 and 7 above). In addition, information needs to be distributed about how districts and their communities may benefit from energy efficiencies. Creating a “green school” at the Price Lab School, University of Northern Iowa, could be a model for districts that are building new facilities and/or renovating existing structures.

- **Recommendation 7:** The Department recommends a request for proposal (RFP) process that would lead to a limited number of student information systems in Iowa. Limiting the number of systems would address the need for standardization for the sake of efficiency and the needs of the districts to have options because of their unique circumstances. Districts should be required to have an automated capacity to share information using a standard format. A new student information system infrastructure would be phased in over five years.

To view the entire document and appendices, please go to  
[http://www.iowa.gov/educate/index2.php?option=com\\_docman&task=doc\\_view&gid=4973&Itemid=99999999](http://www.iowa.gov/educate/index2.php?option=com_docman&task=doc_view&gid=4973&Itemid=99999999)

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# SF 447

## School District Sharing and Efficiencies Study



- Background
  - Existing Efficiencies
  - Findings
  - Barriers
  - Recommendations
-





# Background

- Senate File 447, passed in 2007 by the Iowa General Assembly and signed by Governor Chester Culver
  - Iowa Department of Education to provide findings and recommendations about potential sharing and efficiency efforts among:
    - LEAs;
    - AEAs;
    - community colleges;
    - other postsecondary institutions; and
    - governmental subdivisions.
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# EXISTING EFFICIENCIES

A series of regional discussions facilitated through Area Education Agencies invited participation by various educational personnel and governmental officials (county and municipal) to discuss existing efficiencies in the following areas:

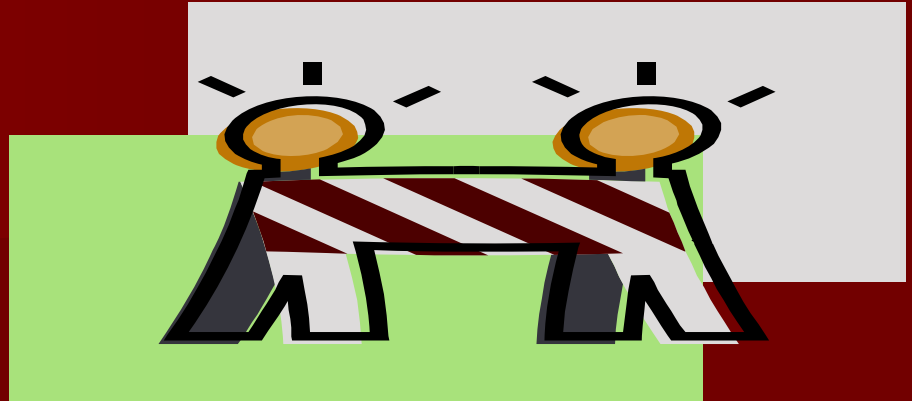
- **Operational efficiencies**
  - **Shared programming**
  - **Transportation sharing**
  - **Expansion of AEA cooperatives**
  - **Common schedules for school districts and community colleges**
  - **Energy efficiencies**
  - **Insurance efficiencies**
  - **Effective educational structure and delivery models that promote optimum student achievement**
  - **Other ideas for efficiency and sharing**
-

# FINDINGS



- ◆ 1 – Regional Meetings: opportunity appreciated
- ◆ 2 – Sharing Staff: driven by tight budgets
- ◆ 3 – Efficiency vs Effective: two different things
- ◆ 4 – Sharing Staff, Resources, and Insurances: possible sharing with few barriers
- ◆ 5 – Iowa Educators Consortium: statewide purchasing agencies
- ◆ 6 – Iowa Code and Federal Regulations Prohibit: widely held perception
- ◆ 7 – Expanding Educational Opportunities: another factor driving sharing
- ◆ 8 – Financial Sharing Incentives: more are needed
- ◆ 9 – Student Information Systems: fewer systems
- ◆ 10 – Skepticism: concern over reorganization

# BARRIERS



- Barrier 1 – “Turf”
- Barrier 2 – Schedules and Calendars not Coinciding
- Barrier 3 – Effects on Local Businesses of not Buying Local
- Barrier 4 – Lack of Financial Incentives to Share With Cities and Counties
- Barrier 5 – Staff Willingness to be a Shared Employee
- Barrier 6 – Lack of Knowledge About Energy Conservation
- Barrier 7 – Iowa Code Limitations Perception

# RECOMMENDATIONS

The following are recommendations from the Iowa Department of Education to address the findings and barriers.



# RECOMMENDATION 1 – Technology and Telecommunications

- Expand the high school course offerings provided through uses of technology and telecommunications.
- Include courses offered through the Iowa Online AP Academy and Iowa Learning Online.

# RECOMMENDATION 2 – Modify Market Factor Pay

- Modify existing Market Factor Pay allocations and distribute to districts based upon needs identified by the Department.
- Market Factor Pay could be focused and used for creative solutions to teacher shortages that are common to several neighboring districts.
- A combination of course delivery through technology and telecommunications along with regular visits by the teacher to each neighboring school for labs could be solution for quality education while minimizing staff travel time.

# RECOMMENDATION 3 – Shared Services

- The Department should actively encourage AEAs and districts to utilize existing allowed supplementary weighting to provide shared services such as payroll.





# RECOMMENDATION 4 – Additional Supplementary Weighting

- Provide additional supplementary weighting to school districts for concurrent high school / community college courses in career and technical fields (change weighting to .78 for career and technical courses and to .46 for liberal arts and sciences courses).
- Due to the expense of the specialized equipment and facilities, career and technical courses are more costly to deliver than courses in the arts and sciences.

# RECOMMENDATION 5 – Equity of Access

- Allow equity of access for qualified Iowa high school students to earn advanced high school and college credit courses.
- Expansion of career academies and regional academies through Iowa's Community Colleges and regional academies between districts will help address this need.

# RECOMMENDATION 6 – Provide Information

- The Department, in partnership with other knowledgeable agencies, should provide information about allowable sharing arrangements between school districts and other governmental bodies.
- Distribute information about how districts and their communities may benefit from energy efficiencies.
- Creating a “green school” at Price Lab School, University of Northern Iowa, could be a model for districts that are building new facilities and/or renovating existing structures.

# RECOMMENDATION 7 – Limit Student Information Systems

- The Department recommends a request for proposal (RFP) process that would lead to a limited number of student information systems in Iowa to address the need for standardization for efficiency and needs of the districts to have options.
- Districts should be required to have an automated capacity to share information using a standard format.
- New student information system infrastructure would be phased in over five years.